

CITY OF MUSKEGON

CITY COMMISSION MEETING

AUGUST 23, 2011

CITY COMMISSION CHAMBERS @ 5:30 P.M.

MINUTES

The Regular Commission Meeting of the City of Muskegon was held at City Hall, 933 Terrace Street, Muskegon, Michigan at 5:30 p.m., Tuesday, August 23, 2011.

Mayor Warmington opened the meeting with a prayer from Pastor Tim Cross from the Living Word Church of Muskegon after which the Commission and public recited the Pledge of Allegiance to the Flag.

ROLL CALL FOR THE REGULAR COMMISSION MEETING:

Present: Mayor Stephen Warmington, Vice Mayor Stephen Gawron, Commissioners Steve Wisneski, Chris Carter, Clara Shepherd, Lawrence Spataro, and Sue Wierengo, City Manager Bryon Mazade, City Attorney John Schrier, and City Clerk Ann Marie Cummings.

2011-58 CONSENT AGENDA:

A. Approval of Minutes. CITY CLERK

SUMMARY OF REQUEST: To approve minutes of the August 8th Commission Worksession Meeting and the August 9th City Commission Meeting.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

B. WEMET Vehicle Cost. CITY MANAGER

SUMMARY OF REQUEST: To approve an increase in WEMET vehicle cost from \$6,190 to \$7,500 annually, per vehicle. The City uses four vehicles.

FINANCIAL IMPACT: Increase of \$5,240 annually.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: To approve the request.

C. Bond Authorizing Resolution. FINANCE

SUMMARY OF REQUEST: As previously discussed, the City is borrowing \$2.0 million from Fifth-Third Bank to serve as local matching funds for various current and

future street projects for which the City has received grant funding.

Proper public notice of the bond issuance has been given and the bond authorizing resolution is the last action required by the City Commission to complete this transaction.

FINANCIAL IMPACT: The loan will be for ten years at an interest rate of 2.98%.

BUDGET ACTION REQUIRED: The projected interest payment for 2011-12 is included in the FY 2012 budget.

STAFF RECOMMENDATION: Approval of the bond authorizing resolution.

Motion by Vice Mayor Gawron, second by Commissioner Shepherd to approve the Consent Agenda as presented.

ROLL VOTE: Ayes: Carter, Gawron, Shepherd, Spataro, Warmington, Wierengo, and Wisneski

Nays: None

MOTION PASSES

2011-59 NEW BUSINESS:

A. Revised LC Walker Management Agreement. FINANCE

SUMMARY OF REQUEST: The contract for management of the LC Walker Arena was drafted in 2006 and subsequently assigned over to new management companies on two separate occasions. However, the contract was not significantly revised on either assignment. The new arena manager has requested the management contract be revised to:

- Remove certain outdated provisions (e.g. club room financing)
- Remove requirement for the City to find replacement parking if the Western Avenue parking lot was ever to be used for a purpose other than parking
- Change some outdated terminology (e.g. "professional" hockey)
- Change item-dollar threshold for use of the arena maintenance fund from \$5,000 to \$3,000
- Change the contract date to coincide with the City's fiscal year
- Set a new contract termination date of 9/1/16

Staff has reviewed the proposed contract changes and recommends approval of the revised management contract.

FINANCIAL IMPACT: There is no change to the \$235,000 annual management fee included in the current contract. However, the contract sets this amount as the annual fee for each year of the contract. The prior contract allowed the City to unilaterally reduce the fee if it was deemed by the City that the fee

was excessive in light of the arena's financial performance. Staff concurs that this provision is no longer needed.

Staff has also obtained an opinion from bond counsel to assure the contract changes do not impair the tax-exempt status of the County's Quality of Life bonds issued, in part, to finance arena renovations.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the proposed amended LC Walker management contract with Logger Hockey, LLC.

Motion by Vice Mayor Gawron, second by Commissioner Spataro to approve the proposed amended LC Walker management contract with Logger Hockey, LLC.

ROLL VOTE: Ayes: Gawron, Shepherd, Spataro, Warmington, Wierengo, and Carter

Nays: None

Absent: Wisneski (stepped out of room)

MOTION PASSES

B. Pension Benefits for Public Safety Director. FINANCE

SUMMARY OF REQUEST: It has been traditional for the Public Safety Director (or, in the past, Police Chief) to receive pension benefits comparable to those received by Police Command Officers.

Currently, discrepancies exist in the pension multiplier and the normal retirement age:

Benefit	Police Command	Public Safety Director
Pension Multiplier	3.00%	2.75%
Normal Retirement Age/Service	55/10	60/10
Early Retirement Age/Service	53/25	53/25

FINANCIAL IMPACT: MERS charges a one-time cost of \$7,030 to value and administer this benefit. A valuation of the benefit change will be performed to determine the actuarial cost of the change.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Authorize the City Manager to execute documents to increase the level of the Public Safety Director's pension benefit to the same level as the Police Command Officers effective for retirements after August 1, 2011, pending acceptable results of the actuarial valuation.

Motion by Vice Mayor Gawron, second by Commissioner Wierengo to authorize the City Manager to execute documents to increase the level of the Public Safety Director's pension benefit to the same level as the Police Command Officers effective for retirements after August 1, 2011, pending acceptable results of the actuarial valuation.

ROLL VOTE: Ayes: Shepherd, Spataro, Warmington, Wierengo, Wisneski, Carter, and Gawron

Nays: None

MOTION PASSES

C. East Muskegon Little League and No More Sidelines – Request to Waive Equipment Rental Fees and Labor Charges for City Picnic Table Use.
PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: East Muskegon Little League is having their annual end of summer party at Sheldon Park for No More Sidelines on August 24, 2011. No More Sidelines is a non-profit organization providing children and young adults with special needs, an opportunity to play sports year round and to participate in community events and outings. They will be using approximately 15 City picnic tables, which are already at the park now. They are requesting that the City waive the \$10 per table rental fee, as well as the labor charges for transporting the tables back to DPW after the event.

FINANCIAL IMPACT: Equipment rental fees are \$10 per table. City labor charges are \$60 per hour.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: None.

Motion by Commissioner Spataro, second by Commissioner Shepherd to approve the requested waiver of fees.

ROLL VOTE: Ayes: Spataro, Warmington, Wierengo, Wisneski, Carter, Gawron, and Shepherd

Nays: None

MOTION PASSES

D. Michigan Irish Music Festival – Request to Waive Equipment Rental Fees. PLANNING & ECONOMIC DEVELOPMENT

REMOVED PER REQUEST OF APPLICANT.

E. Church Without Shoes Event at Margaret Drake Elliott Park – Request to Waive the Special Event Application Fee and the Picnic Shelter Reservation Fee. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Bob Kuhn, applicant for the Church Without Shoes

event being held September 4, 2011, is requesting that the City waive the picnic shelter reservation fee and the special event application fee for this event.

Church Without Shoes has been held for years, but is normally tied in with the Breakwater Festival (formerly Shoreline Spectacular). That organization notified us recently that they are not having their festival this year and they have withdrawn their special event request. Because Church Without Shoes is a public event on City property, a special event application is required per City policy. No City services are required for the event.

FINANCIAL IMPACT: \$125 picnic shelter reservation cost; \$50 special event application fee.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: None.

Motion by Commissioner Carter, second by Commissioner Wisneski to approve Church Without Shoes event at Margaret Drake Elliott Park and their request to waive the special event application fee and the picnic shelter reservation fee.

ROLL VOTE: Ayes: Warmington, Wierengo, Wisneski, Carter, Gawron, Shepherd, and Spataro

Nays: None

MOTION PASSES

F. Request to Fly Breast Cancer Ribbon Flags. CITY CLERK

SUMMARY OF REQUEST: Tempting Tables is requesting permission to fly breast cancer ribbon flags the week of October 16th at the following locations:

Hackley Park
City Hall
Shoreline Drive
Central Fire Station
Hartshorn Marina
Root Park

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: None.

Motion by Commissioner Shepherd, second by Commissioner Carter to approve the request to fly the breast cancer ribbon flags at the six locations.

ROLL VOTE: Ayes: Wierengo, Wisneski, Carter, Gawron, Shepherd, Spataro, and Warmington

Nays: None

MOTION PASSES

G. Designation of Voting Delegates for the Michigan Municipal League Annual Business Meeting. CITY CLERK

SUMMARY OF REQUEST: To designate by action of the Commission, one of our officials who will be in attendance at the Convention as an official representative to cast the vote of the municipality at the annual meeting; and, if possible, to designate one other official to serve as alternate.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval.

Motion by Commissioner Spataro, second by Commissioner Carter to designate Commissioner Shepherd as the official representative and Ann Cummings as the alternate.

ROLL VOTE: Ayes: Wisneski, Carter, Gawron, Shepherd, Spataro, Warmington, and Wierengo

Nays: None

MOTION PASSES

H. Smartzone Agreement. CITY MANAGER

SUMMARY OF REQUEST: To consider an agreement that would assign the Smartzone Agreement from Belmont Farms, LLC to Muskegon Lakefront, LLC.

FINANCIAL IMPACT: The development, or lack thereof, on the Smartzone property impacts the ability to generate tax increments to pay the Smartzone bonds. A Brownfield loan in the amount of \$150,823.42 is outstanding, and the second installment due on March 18, 2011, was \$18,554.42.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: None.

Motion by Commissioner Carter, second by Commissioner Shepherd to approve the agreement that would assign the Smartzone Agreement from Belmont Farms, LLC to Muskegon Lakefront, LLC.

ROLL VOTE: Ayes: Carter, Gawron, Shepherd, Spataro, Warmington, and Wierengo

Nays: Wisneski

MOTION PASSES

2011-60 ANY OTHER BUSINESS:

Commissioner Spataro and Mayor Warmington commented on the

success of the Hot Rod Power Tour this year and Muskegon has been asked to host the tour Sunday, June 3, 2012.

Motion by Commissioner Carter, second by Commissioner Shepherd to approve the guarantee of the \$35,000 event fee for the Hot Rod Power Tour to come back to Muskegon in 2012.

ROLL VOTE: Ayes: Gawron, Shepherd, Spataro, Warmington, Wierengo, Wisneski, and Carter

Nays: None

MOTION PASSES

Mayor Warmington thanked Public Safety Director Tony Kleibecker for his years of service and his leadership.

Commissioner Shepherd stated she would like to attend the National League of Cities Conference this year and is in need of money for registration and air fair. Commissioner Wisneski donated \$100 so she needs \$360 more. Commissioner Carter donated \$200, and Commissioner Wierengo will donate the needed \$160.

PUBLIC PARTICIPATION: Public comments received.

ADJOURNMENT: The City Commission Meeting adjourned at 6:48 p.m.

Respectfully submitted,

Ann Marie Cummings, MMC
City Clerk